

**537.5203 Civil liability for violation of disclosure provisions.**

1. Except as otherwise provided in [this section](#), a creditor who, in violation of the provisions of the Truth in Lending Act other than its provisions concerning advertising of credit terms, fails to disclose information to a person entitled to the information under [this chapter](#) is liable to that person, in other than a class action, in an amount equal to the sum of the following:

a. Twice the amount of the finance charge in connection with the transaction, but the liability pursuant to this paragraph shall be not less than two hundred dollars or more than two thousand dollars.

b. In the case of a successful action to enforce the liability under paragraph “a”, the costs of the action together with reasonable attorney’s fees as determined by the court.

2. A creditor has no liability under [this section](#) if within fifteen days after discovering an error, and prior to the institution of an action under [this section](#) or the receipt of written notice of the error, the creditor notifies the person concerned of the error and makes whatever adjustments in the appropriate account are necessary to assure that the person will not be required to pay a finance charge in excess of the amount or percentage rate actually disclosed. The administrator, and any official or agency of this state having supervisory authority over a creditor, shall give prompt notice to a creditor of any errors discovered pursuant to an examination or investigation of the transactions, business, records and acts of the creditor.

3. A creditor may not be held liable in any action brought under [this section](#) for a violation of [this chapter](#) if the creditor shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid the error.

4. Any action which may be brought under [this section](#) against the original creditor in any credit transaction involving a security interest in land may be maintained against any subsequent assignee of the original creditor where the assignee, its subsidiaries, or affiliates were in a continuing business relationship with the original creditor either at the time the credit was extended or at the time of the assignment, unless the assignment was involuntary, or the assignee shows by a preponderance of evidence that it did not have reasonable grounds to believe that the original creditor was engaged in violations of [this chapter](#) and that it maintained procedures reasonably adapted to apprise it of the existence of the violations.

5. An obligor or consumer has all rights under [this chapter](#) that the obligor or consumer has under the provisions of the Truth in Lending Act concerning a right of rescission as to certain transactions, and a creditor or other person has all liabilities and defenses under [this section](#) that the obligor or consumer has under the Truth in Lending Act.

6. No action pursuant to [this section](#) may be brought more than one year after the date of the occurrence of the violation.

7. In [this section](#), creditor includes a person who in the ordinary course of business regularly extends or arranges for the extension of credit, or offers to arrange for the extension of credit, and includes the seller of an interest in land and the lender who makes a loan secured by an interest in land if, but for the rate of the finance charge made in the transaction, the sale or loan would be a consumer credit sale or consumer loan.

8. The liability of a creditor under [this section](#) is in lieu of and not in addition to the creditor’s liability under the Truth in Lending Act. An action by a person with respect to a violation may not be maintained pursuant to [this section](#) if a final judgment has been rendered for or against that person with respect to the same violation pursuant to the Truth in Lending Act, and if a final judgment has been rendered in favor of a person pursuant to [this section](#) and thereafter a final judgment with respect to the same violation is rendered in favor of the same person pursuant to the Truth in Lending Act, a creditor liable under both judgments has a cause of action against that person for appropriate relief to the extent necessary to avoid double liability with respect to the same violation.

9. The administrator shall adopt rules to keep [this section](#) in harmony with the Truth in

Lending Act. These rules supersede any provisions of [this section](#) which are inconsistent with the Truth in Lending Act as adopted by [section 537.1302](#).

[C75, 77, 79, 81, §537.5203]

[2017 Acts, ch 138, §21](#)

Referred to in [§537.1202](#)

Subsection 1, paragraph a amended